

CANADIAN WESTINGHOUSE COMPANY, LIMITED

THIRTY-FIRST ANNUAL REPORT

DECEMBER 31st, 1934

DIRECTORS

PAUL J. MYLER, CHAIRMAN AND PRESIDENT

L. A. OSBORNE, VICE-PRESIDENT

HON. THOMAS AHEARN, P. C.

F. A. MERRICK, VICE-PRESIDENT

A. W. ROBERTSON

N. S. BRADEN, VICE-PRESIDENT

JOHN F. MILLER

CHARLES A. TERRY

A. L. HUMPHREY

CHARLES A. ROWAN

H. U. HART, VICE-PRESIDENT AND CHIEF ENGINEER

GEORGE R. KERR, VICE-PRESIDENT AND TREASURER

H. M. BOSTWICK, MANAGER OF SALES

C. H. O. POOK, MANAGER OF WORKS

W. E. SPRAGUE, SECRETARY

PRINCIPAL OFFICE AND WORKS, HAMILTON, ONTARIO

SALES OFFICES

MONTREAL, QUE.

TORONTO, ONT.

WINNIPEG, MAN.

HALIFAX, N.S.

OTTAWA, ONT.

CALGARY, ALTA.

VANCOUVER, B.C.

FORT WILLIAM, ONT.

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CANADIAN WESTINGHOUSE COMPANY, LIMITED

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DECEMBER 31st, 1934

The Board of Directors submits the customary certified Balance Sheet of the Company at the close of the fiscal year ended December 31st, 1934, and a statement of the Profit and Loss Account.

The statement shows the current year's earnings from all sources, including investment returns, royalties, etc., after provision made for all bad and doubtful debts, to be \$991,530.79, to which has been added an amount of \$200,000.00 transferred from the General Reserve for Depreciation. From this total the following deductions have been made: for the payment of Dominion taxes \$65,000.00; for Directors' fees paid \$13,800.00; for depreciation of Property and Plant \$400,000.00; transferred to the Employees Pension Fund \$35,000.00; leaving a net of \$677,730.79.

The upswing in business activities noted in the Annual Report for 1933, has, after a slight recession during the closing months of that year and the first month or two of 1934, continued during the year just closed, and it is pleasing to announce that your Company's operations have paralleled this improvement in business conditions. The total sales of all products for the year show an increase of approximately one-third over 1933, and this increase has not been due to a startling improvement in any one line of product, but runs almost uniformly throughout the various phases of your Company's business.

Speaking particularly of the electrical apparatus field, the increase in sales was proportionate to the general increase, and a healthier condition of affairs is denoted by the fact that with but perhaps one exception practically none of the sales comprised large apparatus, but mostly medium and small motors and other electrical devices, with a fairly well sustained demand.

Our merchandising activities showed considerable improvement over the preceding year. In physical numbers twice as many refrigerators were sold as during 1933. In the radio field we also had a successful year, and our sales used up practically our entire production and stock of receiving sets. The range business was quiet, but the preparations for the manufacture of our own range in its entirety, mentioned in last year's report, have been completed and a more intensive selling effort is to be put forth on this line of product. We also completed during the year preparations for the manufacture of our own washing machine, and with this added device we are now making in our own works a full and complete line of household commodities.

An occurrence of importance to our air brake business during the year was the decision of the Association of American Railroads, with which the Canadian railway systems are affiliated, that all freight cars in service January 1st, 1945, must at that time have installed thereon the new type "AB" Brake Equipment, which was already prescribed as standard for all new cars built. This will involve a ten-year conversion program by all the railways, which should substantially increase the sales and production activities of the Air Brake Department.

During the year, due partly to the necessity for providing facilities for the manufacture of ranges, washing machines and the new "AB" brake, considerable additions were made to our machine tool equipment, and additional machinery of the latest type was also installed in the Lamp Department. All of these expenditures for additional equipment are expected to produce beneficial results in both the quality of the product and improved cost figures. Hand in hand with this up-to-date equipment, revisions in engineering designs with a view to betterment of product have proceeded as usual.

The decreases in employment, mentioned in previous reports, have ceased and in 1934 there was some improvement in the total wages and salaries paid as against the preceding year.

The physical inventories of the Company have been very carefully checked and are accurate. The figures used in connection with each item are the lower of either actual cost or present value, as shown on the Balance Sheet.

Your Board records with appreciation the loyal, faithful and efficient work done by the supervising and operating forces of the Company throughout the year.

By order of the Board,

PAUL J. MYLER,
Chairman and President.

ABSTRACT OF FINANCIAL STATEMENT

FOR FISCAL YEAR ENDED DECEMBER 31st, 1934

GENERAL BALANCE SHEET

ASSETS:—

CASH - - - - -	\$ 1,119,317.83	
INVESTMENTS, GOVERNMENT BONDS, ETC., AT COST -	7,182,193.63	
ACCOUNTS AND BILLS RECEIVABLE - - - - -	816,515.78	
PROPERTY AND PLANT:—		
Real Estate; Buildings; Machinery; Tools and Equipment;		
Main Office and District Office Properties;		
at Cost less Depreciation - - - - -	5,657,364.10	
INVENTORY OF MATERIALS AND PRODUCTS ON HAND INCLUDING		
WORK IN PROCESS; AT THE LOWER OF COST OR MARKET	2,420,407.10	
INSURANCE UNEXPIRED AND TAXES PAID IN ADVANCE -	29,651.19	
PATENTS, RIGHTS AND LICENSES - - - - -	1.00	
	<u>17,225,450.63</u>	
ADVANCE PAYMENTS ON CONTRACTS - - - - -	359,522.66	<u>\$16,865,927.97</u>

LIABILITIES:—

CAPITAL STOCK, 546,000 Shares No Par Value - -	\$ 9,100,000.00	
CURRENT ACCOUNTS PAYABLE - - - - -	490,664.04	
CONTRACTS IN PROGRESS - - - - -	126,945.91	
PROVISION FOR DOMINION TAXES - - - - -	65,000.00	
RESERVE FOR DEPRECIATION - - - - -	550,000.00	
EARNED SURPLUS - - - - -	6,533,318.02	<u>\$16,865,927.97</u>

PROFIT AND LOSS ACCOUNT

BALANCE BROUGHT FORWARD JANUARY 1st, 1934 - - -		\$ 6,944,587.23
EARNINGS FROM ALL SOURCES FOR YEAR ENDED DECEMBER 31st, 1934,		
INCLUDING ROYALTIES AND INCOME FROM INVESTMENTS -	\$ 991,530.79	
FROM RESERVE FOR DEPRECIATION - - - - -	200,000.00	
	<u>1,191,530.79</u>	
For Dominion Taxes - - - - -	\$ 65,000.00	
Directors' Fees - - - - -	13,800.00	
Written off for Depreciation - - - - -	400,000.00	
To Pension Fund - - - - -	35,000.00	<u>513,800.00</u>
NET EARNINGS - - - - -		<u>677,730.79</u>
		7,622,318.02
LESS DIVIDENDS, 1934 - - - - -		<u>1,089,000.00</u>
BALANCE CARRIED FORWARD JANUARY 1st, 1935 - - -		<u>\$ 6,533,318.02</u>

For the Directors

F. A. MERRICK

N. S. BRADEN

Vice-Presidents,

AUDITOR'S CERTIFICATE

I certify that I have audited the books and accounts of the Company for the year ended December 31st, 1934, have verified the cash and securities belonging to the Company and have been furnished with vouchers for all expenditures. I have obtained all necessary information and explanations, and the above statement, in my opinion, sets forth correctly the condition of the Company's affairs at the above date, according to the best of my information and the explanations given me, and agrees with the books of the Company.

Hamilton, Canada, February 14th, 1935.

C. S. SCOTT, F.C.A.
of C. S. Scott & Co., C.A.
Auditor

